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# Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

## Report of the Second Committee

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## I. Introduction

1. At its 2nd plenary meeting, on 17 September 2010, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fifth session the item entitled "Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference" and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 11th, 12th, 21st, 28th and 32nd meetings, on 14 and 28 October and on 12 and 30 November 2010. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/65/SR.11, 12, 21, 28 and 32). Attention is also drawn to the general debate held by the Committee at its 2nd to 6th meetings, from 4 to 6 October (see A/C.2/65/SR.2-6).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 18 and 19 March 2010) (A/65/81-E/2010/83);

(b) Summary by the President of the General Assembly of the fourth High-level Dialogue on Financing for Development (New York, 23 and 24 March 2010) (A/65/130);

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(c) Report of the Secretary-General on the follow-up to and implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development (A/65/293);

(d) Letter dated 16 August 2010 from the representatives of France, Japan, Norway and Spain to the Secretary-General (A/65/339);

(e) Letter dated 29 September 2010 from the representative of Yemen to the Secretary-General (A/65/486).

4. At the 11th meeting, on 14 October, an introductory statement was made by the Director of the Financing for Development Office of the Department of Economic and Social Affairs (see A/C.2/65/SR.11).

# II. Consideration of proposals

## A. Draft resolutions A/C.2/65/L.7 and A/C.2/65/L.53

5. At the 21st meeting, on 28 October, the representative of Yemen, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Follow-up International Conference on Financing for Development" (A/C.2/65/L.7), which read:

"*The General Assembly*,

"*Recalling* the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, and the follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha, from 29 November to 2 December 2008, and its resolutions 56/210 B of 9 July 2002, 57/250 of 20 December 2002, 57/272 and 57/273 of 20 December 2002, 57/270 B of 23 June 2003, 58/230 of 23 December 2003, 59/225 of 22 December 2004, 60/188 of 22 December 2005, 61/191 of 20 December 2006, 62/187 of 19 December 2007, 63/239 of 24 December 2008 and 64/193 of 21 December 2009, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002, 2003/47 of 24 July 2003, 2004/64 of 16 September 2004, 2006/45 of 28 July 2006, 2007/30 of 27 July 2007, 2008/14 of 24 July 2008, 2009/30 of 31 July 2009 and 2010/26 of 23 July 2010,

"*Recalling also* the Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome,

"*Recalling further* the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals and its outcome,

"*Taking note* of the summary by the President of the General Assembly of the fourth High-level Dialogue on Financing for Development, held in New York on 23 and 24 March 2010,

"*Taking note also* of the report of the Secretary-General on the follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development,

"*Taking note further* of the note by the Secretary-General entitled 'Building on Monterrey and Doha: towards achieving the internationally agreed development goals, including the Millennium Development Goals',

"*Recalling* the progress report of the Ad Hoc Open-ended Working Group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,

"*Deeply concerned* by the adverse impacts of the global financial and economic crisis on development, including on the capacity of developing countries to mobilize resources for development, and recognizing that an effective response to the current crisis requires timely implementation of existing aid commitments,

"*Recalling* that the Monterrey Conference is the only major United Nations summit in the economic and social field that did not result in a permanent intergovernmental body to oversee and promote the implementation of its outcome,

"1. *Reaffirms* the Monterrey Consensus of the International Conference on Financing for Development in its entirety, its integrity and its holistic approach, recalling the resolve to take concrete action to implement the Monterrey Consensus and address the challenges of financing for development in the spirit of global partnership and solidarity in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals;

"2. *Recognizes* that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership strategies and sovereignty;

"3. *Reaffirms* the importance of ensuring appropriate and effective follow-up to the implementation of the Monterrey Consensus, as reaffirmed in the Doha Declaration on Financing for Development,

"4. *Recognizes* that the mobilization of domestic and international resources, and an enabling domestic and international environment are key drivers of development;

"5. *Underlines* that the global financial and economic crisis is still ongoing, stresses that the recovery is uneven, fragile and uncertain, and recalls that the systemic problems facing the global economy have yet to be resolved;

"6. *Reaffirms* that mobilizing financial resources for development is central to the global partnership for development, including in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals, and calls for the expeditious delivery of commitments made by developed countries in the context of the Monterrey Consensus and the Doha Declaration, including the provision of short-term liquidity, long-term development financing and grants to meet the development needs of developing countries;

"7. *Recognizes*, in this regard, the global partnership for development as the centrepiece of international cooperation for the achievement of the Millennium Development Goals in the years ahead, as reaffirmed in the United Nations Millennium Declaration, the Monterrey Consensus, the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation'), the 2005 World Summit Outcome and the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus;

"8. *Urges* developed countries that have not yet done so to meet the target of 0.7 per cent of their gross national product for official development assistance, including 0.15 to 0.2 per cent of their gross national product for the least developed countries, and considers that, in order to meet agreed commitments and targets, it is important that developed countries establish clear and transparent timetables within their national budget allocation processes to reach the level of at least 0.5 per cent of their gross national product for official development assistance by 2010 and 0.7 per cent by 2015, at the latest;

"9. *Reaffirms* the need for new and additional resources, inter alia short-term liquidity and long-term development financing and grants, to be made available to developing countries to be utilized towards an adequate response to their development priorities;

"10. *Underlines* that aid flows to all developing countries should be more effective, sustainable, predictable, concessional and conditionality-free, including aid flows to the most vulnerable and least developed countries, and those to adequately support the efforts of middle-income countries and low-income countries to tackle their specific development challenges;

"11. *Considers* that innovative mechanisms of financing can make a positive contribution in assisting developing countries to mobilize additional resources for financing for development on a stable, predictable and voluntary basis, and that such financing should be disbursed in accordance with the priorities of developing countries, should neither replace nor negatively affect the level of traditional sources of financing and should not unduly burden those countries;

"12. *Recognizes* the considerable progress in regard to innovative sources of financing for development, calls for the scaling up of current initiatives and the development of new mechanisms, as appropriate, and considers that, as work is expanded, priorities should remain focused on providing additional, stable and supplementary resources for traditional development financing;

"13. *Also recognizes* the important role played by Special Drawing Right allocations in increasing global liquidity and contributing to global stability, equity and economic resilience, and decides to undertake urgently further examination of the role of increased emissions of Special Drawing Rights in the expansion of liquidity and the promotion of development;

"14. *Emphasizes* the great importance of a timely, effective, comprehensive and durable solution to the debt problems of developing

countries, since debt financing and relief can be an important source of capital for economic growth and development;

"15. *Emphasizes* that debt sustainability is essential for underpinning growth, underlines the importance of debt sustainability and effective debt management for efforts to achieve national development goals, including the Millennium Development Goals, and encourages developed countries to allocate new and additional resources to assist developing countries in coping with the consequences of the crisis, including through concessional and grant-based financing, debt relief and debt restructuring, agreements between debtors and creditors on temporary debt standstills, and enhanced technical assistance and capacity-building in debt management, negotiation and renegotiation, in order to achieve and maintain debt sustainability;

"16. *Recognizes* that a universal, rule-based, open, non-discriminatory and equitable multilateral trading system coupled with scaled-up aid for trade, including through the enhanced integrated framework for trade-related technical assistance to least developed countries, is key to enable developing countries to reap the benefits of market access and would contribute to the achievement of the Millennium Development Goals, and calls for an early and successful conclusion of the Doha Round of trade talks that places development at its core and provides developing countries with increased opportunities to use trade as an effective tool to promote development through, inter alia, the effective implementation of duty-free and quota-free market access for all least developed countries, in conformity with the Hong Kong Ministerial Declaration adopted by the World Trade Organization in 2005 and the full operationalization of the principle of special and differential treatment;

"17. *Stresses* the need to resist all protectionist measures and tendencies, particularly by developed countries, that are affecting developing countries, including tariff, non-tariff and other barriers to trade, in particular agricultural subsidies, and to rectify any such measures already taken, recognizing the right for developing countries to fully utilize their policy space consistent with World Trade Organization commitments, and calls upon the World Trade Organization and other relevant bodies, including the United Nations Conference on Trade and Development, to continue monitoring protectionist measures and to assess their impact on developing countries;

"18. *Underlines* that the ongoing global financial and economic crisis has further highlighted the urgent need for substantive and comprehensive reform of the international economic and financial system and architecture in order to address their democratic deficit in line with the new economic realities, including with regard to policies, mandates, scope and governance, not only to better enable them to respond to and prevent financial and economic emergencies, but also effectively promote development and equitably serve the needs of all Member States, particularly developing countries;

"19. *Stresses* that international financial institutions, in particular, must have a clear development orientation, and calls upon all Member States to participate in an open, inclusive and transparent dialogue on a new international economic and financial system and architecture;

"20. *Recognizes* the importance of equity and transparency in the international financial, monitoring and trading systems, and of the full and effective participation of developing countries in global decision-making and norm-setting;

"21. *Stresses* that the crisis has also underlined the need to address major failures such as the lack of proper regulation, supervision and monitoring of the financial sector, as well as the asymmetry between developing and developed countries in their ability to derive economic benefits from the global economy;

"22. *Underlines* the important role of the United Nations development system in advancing development and in protecting development gains in accordance with national strategies and priorities, including progress towards achieving the internationally agreed development goals, including the Millennium Development Goals, threatened by the current economic crisis;

"23. *Reaffirms* the need for a strengthened and more effective intergovernmental inclusive process to carry out the financing for development follow-up and to review progress in the implementation of commitments, identify obstacles, challenges and emerging issues and propose concrete recommendations and actions;

"24. *Underscores* the fact that the modalities of the financing for development follow-up process should be reviewed during the sixty-fifth session of the General Assembly, and decides to convene a special session of the General Assembly to address that matter;

"25. *Notes* that the Secretary-General presented concrete proposals on the further strengthening of the financing for development follow-up process for consideration by Member States at the current session of the General Assembly, including a recommendation on the establishment of a new mechanism, which should have at its centre a 'Financing for Development Committee', subsidiary either to the Economic and Social Council or to the General Assembly;

"26. *Decides* to establish a functional commission of the Economic and Social Council on financing for development;

"27. *Requests* the Economic and Social Council, at its 2011 substantive session, to establish a high-level commission on financing for development, as a functional commission of the Council, in accordance with Article 68 of the Charter of the United Nations, in order to ensure effective follow-up to the conferences on financing for development;

"28. *Requests* the President of the Economic and Social Council to elaborate a draft proposal in close consultation with Member States regarding the modalities of the commission, before the end of 2010, in order for it to be adopted during the 2011 substantive session of the Council;

"29. *Recalls* the decision to consider the need to hold a follow-up financing for development conference by 2013;

"30. *Reiterates its appeal* to Member States and other potential donors to consider contributing generously to the Financing for Development Trust

Fund, which would facilitate a strengthened and more effective intergovernmental inclusive process to carry out the financing for development follow-up;

"31. *Decides* to include in the provisional agenda of its sixty-sixth session the item entitled 'Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference', and requests the Secretary-General to submit, under that item, an analytical assessment of the state of implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, and of the present resolution, which is to be prepared in full collaboration with the major institutional stakeholders, and to include concrete proposals on the further strengthening of the financing for development follow-up process for consideration by Member States."

6. At its 32nd meeting, on 30 November, the Committee had before it a draft resolution entitled "Follow-up to the International Conference on Financing for Development" (A/C.2/65/L.53), submitted by the Vice-Chair of the Committee, Erik Lundberg (Finland), on the basis of informal consultations on draft resolution A/C.2/65/L.7.

7. At the same meeting, the Committee was informed that draft resolution A/C.2/65/L.53 had no programme budget implications.

8. Also at the same meeting, the Committee adopted draft resolution A/C.2/65/L.53 (see para. 16, draft resolution I).

9. In the light of the adoption of draft resolution A/C.2/65/L.53, draft resolution A/C.2/65/L.7 was withdrawn by its sponsors.

## B. Draft resolutions A/C.2/65/L.37 and A/C.2/65/L.57

10. At the 28th meeting, on 12 November, the representative of Yemen, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Innovative mechanisms of financing for development" (A/C.2/65/L.37), which read:

"*The General Assembly*,

"*Recalling* the United Nations Millennium Declaration, as well as the outcomes of the International Conference on Financing for Development, the World Summit on Sustainable Development and the 2005 World Summit Outcome and the Doha Declaration on Financing for Development,

"*Recalling also* the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,

"*Recalling further* the High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals and its outcome,

"*Taking note* of the informal event of the General Assembly held on 3 June 2010 on innovative sources of development finance, pursuant to resolution 64/193,

"*Recognizing* the potential of innovative sources of financing to contribute to the achievement of the internationally agreed development goals, including the Millennium Development Goals,

"*Taking note* of the ongoing work on innovative sources of financing for development,

"1. *Reaffirms* that mobilizing additional financial resources for development is central to the global partnership for development, in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals, and calls for the expeditious delivery of commitments made by developed countries in the context of the Monterrey Consensus and the Doha Declaration on Financing for Development, including the provision of short-term liquidity, long-term development financing and grants to meet the development needs of developing countries;

"2. *Urges* developed countries that have not yet done so to meet the target of 0.7 per cent of their gross national product for official development assistance, including a target of 0.15 per cent to 0.2 per cent of their gross national product to least developed countries, and calls for the establishment of clear and transparent timetables within developed country national budget allocation processes to reach the level of at least 0.5 per cent for official development assistance by 2010 and 0.7 per cent by 2015, at the latest;

"3. *Stresses* that innovative financing mechanisms can make a positive contribution in assisting developing countries to mobilize additional resources for development on a stable, predictable and voluntary basis;

"4. *Reiterates* that such financing should be disbursed in accordance with the priorities of developing countries, should not unduly burden them and should neither substitute for nor negatively affect the level of traditional sources of development financing, including official development assistance;

"5. *Highlights* the considerable progress in innovative sources of financing for development achieved to date, and stresses the importance of scaling up present initiatives and developing new mechanisms, as appropriate, with a view to providing additional, stable and supplementary resources to traditional development financing;

"6. *Decides* to convene a meeting of the Second Committee of the General Assembly during the sixty-sixth session to consider the question of innovative mechanisms of financing for development;

"7. *Requests* the Secretary-General to submit to the General Assembly at its sixty-sixth session a report examining all the current and potential effects and implications of innovative mechanisms of financing for development, taking into account that such mechanisms should be voluntary in nature and should not unduly burden developing countries."

11. At its 32nd meeting, on 30 November, the Committee had before it a draft resolution entitled "Innovative mechanisms of financing for development" (A/C.2/65/L.57), submitted by the Vice-Chair of the Committee, Erik Lundberg (Finland), on the basis of informal consultations on draft resolution A/C.2/65/L.37.

12. At the same meeting, the Committee was informed that draft resolution A/C.2/65/L.57 had no programme budget implications.

13. Also at the same meeting, the representative of France orally corrected the French text of draft resolution A/C.2/65/L.57.

14. Also at its 32nd meeting, the Committee adopted draft resolution A/C.2/65/L.57 (see para. 16, draft resolution II).

15. In the light of the adoption of draft resolution A/C.2/65/L.57, draft resolution A/C.2/65/L.37 was withdrawn by its sponsors.

# III. Recommendations of the Second Committee

16. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

## Draft resolution I
## Follow-up to the International Conference on Financing for Development

*The General Assembly*,

*Recalling* the International Conference on Financing for Development held in Monterrey, Mexico, from 18 to 22 March 2002, and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008, and its resolutions 56/210 B of 9 July 2002, 57/250 of 20 December 2002, 57/272 and 57/273 of 20 December 2002, 57/270 B of 23 June 2003, 58/230 of 23 December 2003, 59/225 of 22 December 2004, 60/188 of 22 December 2005, 61/191 of 20 December 2006, 62/187 of 19 December 2007, 63/239 of 24 December 2008 and 64/193 of 21 December 2009, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002, 2003/47 of 24 July 2003, 2004/64 of 16 September 2004, 2006/45 of 28 July 2006, 2007/30 of 27 July 2007, 2008/14 of 24 July 2008, 2009/30 of 31 July 2009 and 2010/26 of 23 July 2010,

*Recalling also* the 2005 World Summit Outcome,[1]

*Recalling further* the Conference on the World Financial and Economic Crisis and Its Impact on Development and its Outcome,[2]

*Recalling* the High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals and its outcome,[3]

*Taking note* of the summary by the President of the General Assembly of the fourth High-level Dialogue on Financing for Development, held in New York on 23 and 24 March 2010,[4]

*Taking note also* of the summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, held in New York on 18 and 19 March 2010,[5]

*Taking note further* of the report of the Secretary-General on the follow-up to and implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development,[6]

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[1] See resolution 60/1.
[2] Resolution 63/303, annex.
[3] See resolution 65/1.
[4] See A/64/PV.79.
[5] A/65/81-E/2010/83.
[6] A/65/293.

*Taking note* of the note by the Secretary-General entitled "Building on Monterrey and Doha: towards achieving the internationally agreed development goals, including the Millennium Development Goals",[7]

*Taking note also* of the progress report of the Ad Hoc Open-ended Working Group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,[8]

*Taking note further* of the informal event on innovative sources of development finance organized by the Secretary-General on 3 June 2010,[9]

1. *Reaffirms* the Monterrey Consensus of the International Conference on Financing for Development[10] in its entirety, its integrity and its holistic approach, recalling the resolve to take concrete action to implement the Monterrey Consensus and address the challenges of financing for development in the spirit of global partnership and solidarity in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals;

2. *Reaffirms* that each country must take primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized for the achievement of sustainable development, and recognizes that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership strategies and sovereignty;

3. *Expresses deep concern* about the ongoing adverse impacts of the global financial and economic crisis on development, including on the capacity of developing countries to mobilize resources for development, recognizes that, while global growth is returning, there is a need to sustain the recovery, which is fragile and uneven, and acknowledges that an effective response to the impacts of the crisis requires timely implementation of all development commitments, including existing aid commitments;

4. *Recalls* the importance of the overall commitment to just and democratic societies for development as spelled out in the Monterrey Consensus;[10]

5. *Reaffirms its determination* to advance and strengthen the global partnership for development as the centrepiece of cooperation in the years ahead, as reaffirmed in the United Nations Millennium Declaration,[11] the Monterrey Consensus,[10] the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[12] the 2005 World Summit Outcome,[1] the Doha Declaration on Financing for Development: outcome document

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[7] E/2010/11.

[8] A/64/884.

[9] A/65/339, annex.

[10] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[11] See resolution 55/2.

[12] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus[13] and the outcome document of the High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals, entitled "Keeping the promise: united to achieve the Millennium Development Goals";[3]

6. *Recognizes* that mobilizing financial resources for development and the effective use of all those resources are central to the global partnership for development, including in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals;

7. *Also recognizes* that the mobilization of domestic and international resources and an enabling domestic and international environment are key drivers for development;

8. *Reaffirms* the importance of the implementation of the commitment to sound policies, good governance at all levels and the rule of law;

9. *Recognizes* that a dynamic, inclusive, well-functioning and socially responsible private sector is a valuable instrument for generating economic growth and reducing poverty, emphasizes the need to pursue appropriate policy and regulatory frameworks at national levels and in a manner consistent with national laws through which to encourage public and private initiatives, including at the local level, and to foster a dynamic and well-functioning business sector, while improving income growth and distribution, raising productivity, empowering women and protecting labour rights and the environment, and reiterates the importance of ensuring that the benefits of growth reach all people by empowering individuals and communities;

10. *Emphasizes* that the financial and economic crisis has demonstrated the need for more effective government involvement so as to ensure an appropriate balance between the market and the public interest, and recognizes the need to better regulate financial markets;

11. *Reiterates* the importance of investment in human capital, inter alia, in health and education, through inclusive social policies, in accordance with national strategies and priorities;

12. *Recalls* that the ongoing fight against corruption at all levels is a priority, and reaffirms the need to take urgent and decisive steps to continue to combat corruption in all of its manifestations in order to reduce obstacles to effective resource mobilization and allocation and prevent the diversion of resources away from activities that are vital for development, also recalls that this requires strong institutions at all levels, including, in particular, effective legal and judicial systems and enhanced transparency, recognizes the efforts and achievements of developing countries in this regard, takes note of the increased commitment of States that have already ratified or acceded to the United Nations Convention against Corruption,[14] and in this regard urges all States that have not yet done so to consider ratifying or acceding to the Convention;

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[13] Resolution 63/239, annex.

[14] United Nations, *Treaty Series*, vol. 2349, No. 42146.

13. *Also recalls* the resolve of Member States to enhance and strengthen domestic resource mobilization and fiscal space, including, where appropriate, through modernized tax systems, more efficient tax collection, broadening the tax base and effectively combating tax evasion and capital flight, and reiterates that, while each country is responsible for its tax system, it is important to support national efforts in these areas by strengthening technical assistance and enhancing international cooperation and participation in addressing international tax matters;

14. *Reaffirms* the importance of implementing measures to curtail illicit financial flows at all levels, enhancing disclosure practices and promoting transparency in financial information, and in this regard notes that strengthening national and multinational efforts to address this issue is crucial, including support to developing countries and technical assistance to enhance their capacities;

15. *Notes* that foreign direct investment is a major source of financing for development, and in this regard calls upon developed countries to continue to devise source-country measures to encourage and facilitate the flow of foreign direct investment, inter alia, through the provision of export credits and other lending instruments, risk guarantees and business development services; calls upon developing countries and countries with economies in transition to continue their efforts to create a domestic environment conducive to attracting investments by, inter alia, achieving a transparent, stable and predictable investment climate with proper contract enforcement and respect for property rights; and stresses the importance of enhancing efforts to mobilize investment from all sources in human resources and physical, environmental, institutional and social infrastructure;

16. *Reaffirms* that international trade is an engine for development and sustained economic growth and the critical role that a universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can play in stimulating economic growth and development worldwide, thereby benefiting all countries at all stages of development;

17. *Emphasizes* the need to resist protectionist tendencies and to rectify any trade-distorting measures already taken that are inconsistent with World Trade Organization rules, recognizing the right of countries, in particular developing countries, to fully utilize their flexibilities consistent with their World Trade Organization commitments and obligations, and that the early and successful conclusion of the Doha Round with a balanced, ambitious, comprehensive and development-oriented outcome would provide much-needed impetus to international trade and contribute to economic growth and development;

18. *Stresses* the essential role that official development assistance plays in complementing, leveraging and sustaining financing for development in developing countries and in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals, reiterates that official development assistance can play a catalytic role in assisting developing countries in removing constraints on sustained, inclusive and equitable growth by, inter alia, enhancing social, institutional and physical infrastructure, promoting foreign direct investment, trade and technological innovations, improving health and education, fostering gender equality, preserving the environment and eradicating poverty, and welcomes steps to improve the effectiveness and quality of aid based on the fundamental principles of national

ownership, alignment, harmonization, managing for results and mutual accountability;

19. *Underlines* the fact that the fulfilment of all official development assistance commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product for official development assistance to developing countries by 2015 and to reach a level of at least 0.5 per cent of gross national product for official development assistance by 2010, as well as a target of 0.15 per cent to 0.20 per cent of gross national product for official development assistance to least developed countries, and urges developed countries that have not yet done so to fulfil their commitments for official development assistance to developing countries;

20. *Reaffirms* that the United Nations funds, programmes and regional commissions, and the specialized agencies of the United Nations system, in accordance with their respective mandates, have an important role to play in advancing development and in protecting development gains, in accordance with national strategies and priorities, including progress towards achieving the Millennium Development Goals, and reaffirms its determination to continue to take steps for a strong, well-coordinated, coherent, effective and efficient United Nations system in support of the Millennium Development Goals;

21. *Considers* that innovative financing mechanisms can make a positive contribution in assisting developing countries to mobilize additional resources for financing for development on a voluntary basis, and that such financing should supplement and not be a substitute for traditional sources of financing, and, while recognizing the considerable progress in innovative sources of financing for development, calls for the scaling-up of current initiatives, where appropriate;

22. *Welcomes* the ongoing efforts to strengthen and support South-South cooperation and triangular cooperation, stresses that South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation, and calls for the effective implementation of the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation,[15] held in Nairobi from 1 to 3 December 2009;

23. *Emphasizes* the great importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries, since debt financing and relief can be an important source of capital for economic growth and development, and also emphasizes that creditors and debtors must share responsibilities for preventing unsustainable debt situations;

24. *Also emphasizes* that debt sustainability is essential for underpinning growth, underlining the importance of debt sustainability and effective debt management for efforts to achieve national development goals, including the Millennium Development Goals;

25. *Stresses* that the economic and financial crisis has highlighted the need for reform as well as added new impetus to ongoing international discussions on the reform of the international financial system and architecture, including on issues related to mandate, scope, governance, responsiveness and development orientation,

[15] Resolution 64/222, annex.

as appropriate, and in this regard encourages continued open, inclusive and transparent dialogue;

26. *Notes* the important efforts undertaken nationally, regionally and internationally to respond to the challenges derived from the financial and economic crisis, in order to ensure a full return to growth with quality jobs, to reform and strengthen financial systems, and to create strong, sustainable and balanced global growth;

27. *Calls for* increased efforts at all levels to enhance policy coherence for development, and affirms that the achievement of the Millennium Development Goals requires mutually supportive and integrated policies for sustainable development;

28. *Recognizes* that recent special drawing rights allocations helped to increase global liquidity in response to the global financial and economic crisis;

29. *Reaffirms* the need to continue to broaden and strengthen the participation of developing countries in international economic decision-making and norm-setting, takes note of recent important decisions on the reform of the governance structures, quotas and voting rights of the Bretton Woods institutions, better reflecting current realities and enhancing the voice and participation of developing countries, and reaffirms the need to further continue the reform of the governance of those institutions in order to deliver more effective, credible, accountable and legitimate institutions;

30. *Recalls* the provisions of its resolution 64/193 and of Economic and Social Council resolutions 2009/30 and 2010/26, relevant to the financing for development follow-up process, and in this regard:

(a) Takes note with appreciation of the efforts already undertaken to strengthen the financing for development follow-up process;

(b) Acknowledges that the modalities of the process should be reviewed, as appropriate, within a time frame to be determined by the General Assembly;

(c) Requests the Secretary-General to submit a report in August 2012 providing elements for an assessment of the existing modalities of the financing for development follow-up process and, on this basis, exploring detailed options on possible arrangements to strengthen the financing for development follow-up process, following his report[6] and his note on coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development,[16] taking into account the views and proposals of Member States and all relevant stakeholders, and the need to ensure the coherence of United Nations processes in the field of financing for development;

31. *Also recalls* the decision to consider the need to hold a follow-up conference on financing for development by 2013, as appropriate;

32. *Decides* to hold its fifth High-level Dialogue on Financing for Development on 7 and 8 December 2011 at United Nations Headquarters, and requests the Secretary-General to prepare a note on the organization of work of that

[16] E/2009/48.

event, based on the organizational modalities of the fourth Dialogue, to be submitted to the Assembly before the end of its sixty-fifth session;

33. *Invites* the regional commissions to provide inputs and actively participate in the fifth High-level Dialogue on Financing for Development to be held in 2011, and in this context calls upon the regional commissions, with the support of regional development banks and other relevant entities, to hold regional consultations, as appropriate, as part of their inputs to the High-level Dialogue;

34. *Reiterates* its appeal to Member States and other potential donors to consider contributing generously to the Financing for Development Trust Fund, which would facilitate the implementation of a strengthened and more effective intergovernmental inclusive process to carry out the financing for development follow-up;

35. *Decides* to include in the provisional agenda of its sixty-sixth session the item entitled "Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference", and requests the Secretary-General to submit, under that item, an annual analytical assessment of the state of implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, and of the present resolution, to be prepared in full collaboration with the major institutional stakeholders.

## Draft resolution II
## Innovative mechanisms of financing for development

*The General Assembly*,

*Recalling* the United Nations Millennium Declaration,[1] the 2005 World Summit Outcome[2] and the High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals and its outcome,[3]

*Recalling also* the outcome of the International Conference on Financing for Development[4] and the Doha Declaration on Financing for Development,[5]

*Recalling further* the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,[6]

*Taking note* of the informal event on innovative sources of development finance organized by the Secretary-General on 3 June 2010,[7]

*Recognizing* the potential of innovative mechanisms of financing to contribute to the achievement of the internationally agreed development goals, including the Millennium Development Goals,

*Taking note* of the ongoing work on innovative sources of financing for development, including in various forums such as the Leading Group on Innovative Financing for Development,

1. *Reaffirms* the Monterrey Consensus[4] and the Doha Declaration on Financing for Development[5] in their entirety, integrity and holistic approach, and recognizes that mobilizing financial resources for development and the effective use of those resources are central to the global partnership for development, including in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals;

2. *Reaffirms* that each country must take primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized for the achievement of sustainable development, and recognizes that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership strategies and sovereignty;

3. *Stresses* the essential role that official development assistance plays in complementing, leveraging and sustaining financing for development in developing countries and in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals, reiterates that official development assistance can play a

[1] See resolution 55/2.
[2] See resolution 60/1.
[3] See resolution 65/1.
[4] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.
[5] Resolution 63/239, annex.
[6] Resolution 63/303, annex.
[7] See A/65/339, annex.

catalytic role in assisting developing countries in removing constraints on sustained, inclusive and equitable growth by, inter alia, enhancing social, institutional and physical infrastructure, promoting foreign direct investment, trade and technological innovations, improving health and education, fostering gender equality, preserving the environment and eradicating poverty, and welcomes steps to improve the effectiveness and quality of aid based on the fundamental principles of national ownership, alignment, harmonization, managing for results and mutual accountability;

4. *Stresses* that innovative mechanisms of financing can make a positive contribution in assisting developing countries to mobilize additional resources for development on a stable, predictable and voluntary basis;

5. *Reiterates* that such voluntary mechanisms should be effective, aim to mobilize resources that are stable and predictable, should supplement and not be a substitute for traditional sources of finance and should be disbursed in accordance with the priorities of developing countries and not unduly burden them;

6. *Highlights* the considerable progress in innovative sources of financing for development achieved to date, and stresses the importance of scaling up present initiatives and developing new mechanisms, as appropriate;

7. *Decides* to convene a separate meeting of the Second Committee of the General Assembly during its sixty-sixth session under the item entitled "Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference" to consider the question of innovative mechanisms of financing for development;

8. Requests the Secretary-General to submit a report to the General Assembly at its sixty-sixth session examining the contribution and potential of innovative mechanisms of financing for development for achieving the internationally agreed development goals, including the Millennium Development Goals, their effectiveness and implications, taking into account that such mechanisms should be voluntary in nature and not unduly burden developing countries.